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OFFICE OF THE
EXECUTIVE SECRETARY
July 15, 1999

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

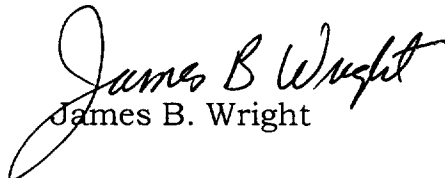
RE: Docket No. 98-00626; (UTSE 1998 Price Cap Adjustment)
UTSE Response to CAD's Motion to Continue Hearing

Dear Mr. Waddell:

Enclosed for filing in the above case are the original and thirteen copies of United Telephone-Southeast, Inc.'s Response to the Consumer Advocate's Motion to Continue Hearing to Permit the Taking of Additional Discovery and Evidence.

A copy of this Response is being furnished to counsel of record.

Sincerely yours,


James B. Wright

JBW:sm

Enclosures

CC: Consumer Advocate (with enclosure)
Guy Hicks (with enclosure)
Paul Monk (with enclosure)
John Hamlin (with enclosure)
Steve Parrott (with enclosure)
Dennis Wagner (with enclosure)
Laura Sykora (with enclosure) #17636

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

REC'D TN
REGULATORY AUTH.

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IN RE: UNITED TELEPHONE-SOUTHEAST, INC.)
TARIFFS TO REFLECT CHANGES)
UNDER PRICE REGULATION)

OFFICE OF THE
EXECUTIVE SECRETARY
DOCKET NO. 98-00626

UNITED TELEPHONE-SOUTHEAST, INC.'S
RESPONSE TO CAD'S MOTION TO CONTINUE HEARING
TO PERMIT THE TAKING OF ADDITIONAL DISCOVERY AND EVIDENCE

United Telephone-Southeast, Inc. ("United") files this Response to the Motion to Continue the Hearing to Permit the Taking of Additional Discovery ("Motion"), filed by the Consumer Advocate Division ("CAD") as a part of the CAD's Post Hearing Brief in this case. In support hereof, United shows the following.

The CAD, in its Motion appearing on page 15 of its Post Hearing Brief, asserts the "agency [TRA] should continue the case, permit additional discovery and additional evidence" regarding the payphone costs.

The CAD's motion should be denied as a matter of judicial efficiency and economy. As the Directors know from this hearing, the issue of payphone costs is the subject of a separate, generic proceeding (See March 13, 1999 Hearing Transcript at page 28, hereinafter referenced as "Tr. p ____"). The Directors have already determined that final decisions on payphone subsidy amounts are appropriate for a generic proceeding which has the benefit of numerous participants and which will permit the receipt of evidence and consideration of different policy perspectives from all of those parties. The CAD is asking the TRA to duplicate the purpose of the generic proceeding

and make the same decisions in this case, but prematurely and without the benefit of the other participant's perspectives. Such an action is wasteful at best and may be seen to be in error after the more thorough generic proceeding is concluded.

In addition, in the CAD's Motion seeking to "continue the case and permit additional discovery and additional evidence", the CAD states that the basis for this request is because "the agency has permitted UTSE to testify to unverified amounts of payphone costs." (Tr. p 15).

The CAD's position is ludicrous. The testimony regarding payphone costs was introduced by the CAD. The CAD is the very one to place into the record the amount of payphone costs (See Testimony of CAD Witness Terry Buckner, March 13, 1999 Hearing Transcript at pages 203-5, 203-6 and Attachment D to Mr. Buckner's testimony at page 203-16). For the CAD now to complain that United testified as to matters the CAD put in the record is baseless and hypocritical. If the CAD is that unhappy with the testimony that he placed into the record, the Directors may wish to review United's previous motion to strike this portion of the CAD's testimony (Tr. pp 22-62) and reconsider whether to grant the motion.

Even more significant is the fact that at the March 13 hearing the CAD specifically agreed with United in open court that the hearing in this proceeding was to go forward that day with the purpose of closing the evidentiary portion of the case on the express conditions that; 1) Mr. Buckner would be allowed to testify regarding payphones, 2) United's Mr. Parrott would provide rebuttal "on the fly" that day and 3) the CAD would not resubmit any additional evidence (through the proffer of testimony of

Mr. Hickerson of the CAD) regarding payphones in this case (Tr. pp 60, 61). The CAD had an opportunity to file anything he wanted in his direct case, or in rebuttal, but he chose to do nothing. Now the CAD is trying to avoid the intent and import of his agreement by not only seeking to continue the hearing, but by trying to present additional evidence on the very issue upon which he agreed he would not submit additional evidence. The CAD's refusal to honor the intent of his agreement is highly questionable and should not be permitted.

Accordingly, for all of the above reasons, United asks that the CAD's Motion be denied.

Respectfully submitted,
UNITED TELEPHONE-SOUTHEAST, INC.

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July 15, 1999

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